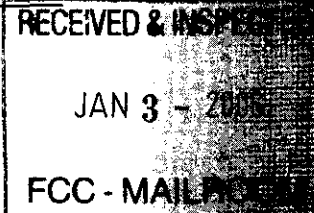


Copy 2



CALVARY
in Savannah
 PILLARS OF STRENGTH • TRANSFORMING LIFE



Office of the Secretary
 Federal Communications Commission
 Attention: CGB Room 3-B431
 445 12th Street SW
 Washington, DC 20554

Petition for Exemption from Closed Captioning Requirements

Introduction

Describe the background of the church: Beginning as a Sunday School Mission in Savannah, Georgia in October 1898, Calvary in Savannah continues to minister to the needs of the community. Calvary in Savannah's mission is a clear one: As good and faithful servants to praise the Lord in worship, pray to God for power, persuade the lost to be saved, put the word of God to work in everyday life and participate in ministry as gifted.

Describe the program generally: "Calvary in Savannah, Pillars of Strength, Transforming Lives" disseminates the biblical truth in the community. The program provides a spiritual haven for the sick and shut-ins by broadcasting the message of God's love to the people – reaching them wherever they may be. Through music, worship and teaching, Calvary in Savannah leads people to praise the Lord, persuades the lost to be saved and offers instruction in putting the word of God to work in everyday life.

Describe the program specifically: The weekly hour-long televised service airs tape-delayed each Sunday morning on WTOG-TV (CBS) channel 11 at 11a.m. (1 week delay).

Frankie O'Quinn, Media Director, is a paid consultant in conjunction with the televised production of the service. He is assisted by a volunteer staff comprised of approximately 20 people who each give at least one day a month to this ministry in worship services running the show. This ministry includes sound engineering, lighting for worship and Presentation Systems techs.

For the reasons set forth below, Calvary in Savannah hereby requests an undue burden exemption from the closed captioning rules for "*Calvary in Savannah, Pillars of Strength, Transforming Lives*" pursuant to § 79.1(f) of the Commission's rules.

Nature and Cost of Closed Captions

~~Provide details on the cost of closed captions:~~ Reverend Phil Ferguson, Minister of Media and Music, has submitted **Exhibit A** as response to the "Nature and Cost of Closed Captions" and the first portion of "Impact on the Operation of the Program Provide".

Impact on the Operation of the Program Provider

~~Describe the impact that these costs would have on the program:~~ See **Exhibit A**.

Financial Resources of the Program Provider

~~Explain the financial position of the church:~~ Calvary in Savannah (Calvary Baptist Temple) is a not-for-profit 501(C)(3) Georgia corporation.. Calvary's tax exempt status was granted under the umbrella of the Georgia Baptist Convention Family of Churches (Group Exemption number 1702). Attached (**Exhibit B**) is a letter from the Georgia Baptist Convention documenting Calvary's tax status and a copy of the GBC's Internal Revenue Service exemption letter (**Exhibit C**). For clarity, it should also be noted that Calvary Baptist Temple operates under the trade name of Calvary in Savannah. This is documented by the attached service name registration from the Secretary of State of the State of Georgia (**Exhibit D**).

~~Describe (and attach documentation for) the most recent financial statements for the church.~~ In particular, note the main sources of income for the church, and the main expenditures. In regard to the financial position of the church, please find attached (**Exhibit E**) internally prepared financial statements for the eleven months ended November 30, 2005. These statements report a net loss of (\$288,334). Also attached you will find audited financial statements for the years ended December 31, 2004 and 2003. These financial statements report losses for the years then ended of (\$317,780) and (\$14,688), respectively.

~~Describe efforts made to solicit captioning assistance from your programming distributor (the television station), and the distributor's response.~~ The local station indicates that it will be able to satisfy virtually all of its closed captioning requirements for local news programming using the electronic

newsroom (ENR) technique, and will not otherwise have staff available to assist the church with any captioning needs.

Type of Operations of the Program Provider

~~Describe the operations of the church:~~ Please see **Exhibit F**.

Other factors

Petitioner believes that the local, non-news exemption to the closed captioning rules also applies to “Calvary in Savannah, Pillars of Strength/Transforming Lives.”¹ As noted above, the program is produced and distributed locally, and the sermons of Calvary in Savannah are of primarily local public interest. The episodes are not news, they do not have repeat value, and the electronic newsroom technique is not available. Notwithstanding the applicability of the exemption, we have filed this petition in an abundance of caution and for the purpose of establishing certainty.

Conclusion

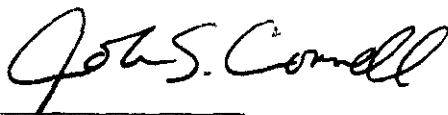
As shown by this Petition and its attachments, the Commission should grant a waiver of the closed captioning requirements in this case, because requiring closed captioning would create an undue burden. The costs of captioning would be excessively high and would have a significant impact on Petitioner’s operations. The Petitioner’s type of operations and financial resources are different in kind and magnitude from a mainstream programming provider. Because of the significant difficulty and expense of providing closed captions, a waiver under § 79.1(f) is warranted. If more information is needed, please contact me at the address provided below.

This exemption is self-implementing, and therefore Petitioner notes its applicability without expecting or requesting FCC action on it.

Respectfully submitted,

Calvary in Savannah,

By:

A handwritten signature in black ink that reads "John S. Cornell". The signature is written in a cursive style with a large, stylized "J" and "C".

Dr. John Cornell, Senior Pastor

4625 Waters Avenue

Savannah, Georgia 31404

912-351-2288

912-351-2296

Dated: December 29, 2005



CALVARY
in Savannah
PILLARS OF STRENGTH • TRANSFORMING LIFE

Exhibit A Calvary in Savannah

Office of the Secretary
Federal Communications Commission
Attention: CGB Room 3-B431
445 12th St. SW
Washington, DC 20554

To whom it may concern:

I am submitting this request for "hardship" on behalf of our church media ministry with regard to the request for compliance of closed captioning our service broadcast each week on our local network affiliate WTOG in Savannah, Georgia. We have read the regulations for the demand for CC on all broadcast television starting January 2006 and feel we should be exempted due to our special circumstances.

The cost for Closed Captioning our single broadcast each week would work undue hardship on us financially at a time in our church history that would cause us to cease broadcasting entirely as a result. Our research has shown that it would cost us a minimum of 3000.00 in equipment (more likely 5000.00). It will cost a weekly service fee (again minimum cost) of 400.00. Following that cost we would be required to pay our editing consultant post-production (minimum of three hours at the rate of 40.00 per hour) service of 120.00 on a weekly basis. The total cost of this on a weekly basis is approximately 580.00 over and above our weekly broadcast time slot cost. Our annual cost is far beyond our budget and in excess of what we could reasonably expect our viewers to donate.

In summary our expenses would pose a necessity of cessation of our weekly service broadcast seen by thousands in the Savannah area. This would be to the detriment of our small community. Please consider our request for exemption. Thank you kindly.

Sincerely,

Rev. Phil J. Ferguson
Minister of Music/Worship and Media
Calvary in Savannah

Exhibit B Calvary in Savannah



Georgia Baptist
Convention

*Witnessing & Working
to the Ends of the Earth*

May 1, 2002

Calvary Baptist Temple
4625 Waters Avenue
Savannah, GA 31404

RE: Tax Exempt Status and Classification

This is to advise that Calvary Baptist Temple is a 501(C)(3) organization under the umbrella of the Georgia Baptist Convention (GBC) Family of Churches. (*Group Exemption number 1702*). We are enclosing a copy of the GBC IRS Determination letter for your use. If you have any further questions please do not hesitate to contact us. (Churches are not exempt from paying sales tax in the State of Georgia - Georgia Sales and Use Tax and Regulations Section 560-12-2-.22.)

Sincerely,

Keith Hamilton, CFP
Church Financial Services

In Obedience to the Great Commandment and the Great Commission

CHURCH FINANCIAL SERVICES • 2930 Flowers Road South • Atlanta, Georgia 30341-5562 • Phone 770.936.5295

Office of Secretary of State
Corporations Division
315 West Tower
#2 Martin Luther King Jr. Drive
Atlanta, Georgia 30334
www.sos.state.ga.us

REGISTRATION NO.	: S - 21598
CLASSIFICATION	: SERVICE MARK
REGISTRATION DATE	: SEPTEMBER 27, 2004
EXPIRATION DATE	: SEPTEMBER 27, 2014
STATE OF INCORPORATION	:
DATE MARK FIRST USED	: JULY 14, 2004
DATE FIRST USED IN GA	: JULY 14, 2004

MAILED TO: RICHARD C. METZ
2423 ABERCORN STREET
SAVANNAH, GA 31401

OWNER: CALVARY BAPTIST TEMPLE
4625 WATERS AVENUE
SAVANNAH, GA 31404

CERTIFICATE OF REGISTRATION

I, Cathy Cox, Secretary of State of Georgia, do hereby certify under seal of my office, that the mark identified and described below has been registered under the laws of Georgia for a period of ten years, the dates of registration and expiration as shown above. A facsimile of said mark is attached and recorded:

MARK

CALVARY IN SAVANNAH

CLASS: 1

DESCRIPTION:

THE WORDS "CALVARY IN SAVANNAH"

This mark is used in connection with:
MINISTERIAL SERVICES

WITNESS my hand and official seal in the City of Atlanta and the State of Georgia on the date set forth below.
PRINT DATE: MARCH 14, 2005



TRADEMARK/SERVICE MARKS
(404) 656-2861

CATHY COX
SECRETARY OF STATE

CALVARY BAPTIST TEMPLE
FINANCIAL CONDITION RECAP
ELEVEN MONTHS ENDED 11/30/05

CALVARY BAPTIST TEMPLE
BALANCE SHEET
NOVEMBER 30, 2005

ASSETS	OPERATING			BUILDING	PLANT	TOTAL ALL FUNDS
	UNRESTRICTED	DESIGNATED	DAY CARE			
Cash	(\$8,687)	\$22,232	\$113,734	\$90,686		\$217,765
Prepaid expenses	19,778					19,778
	10,891	22,232	113,734	90,686	0	237,543
Other assets						
Property, plant & equip. (net)					\$14,538,367	14,538,367
Less accumulated depreciation					(6,359,121)	(6,359,121)
					8,179,246	8,179,246
Interfund receivables-CBDS	2,232					2,232
Total assets	\$13,123	\$22,232	\$113,734	\$90,686	\$8,179,246	\$8,419,021
LIABILITIES AND MEMBERS EQUITY						
Current Liabilities						
Accounts payable	\$109,258	\$151	\$10,789	28,500		148,678
Current portion-notes payable					\$36,000	36,000
Accrued salaries & other	51,883		25,524			77,407
Deferred revenue		22,081				22,081
Total current liabilities	161,141	22,232	36,293	28,500	36,000	284,166
Notes payable-long term					\$422,574	\$422,574
Less estimated current portion					(\$36,000)	(\$36,000)
Total long-term debt					386,574	
Total liabilities	161,141	22,232	36,293	28,500	422,574	670,740
Members equity	(148,018)		77,441	62,186	7,756,872	7,748,281
Total liabilities and members equity	\$13,123	\$22,232	\$113,734	\$90,686	\$8,179,246	\$8,419,021

CALVARY BAPTIST TEMPLE
STATEMENT OF REVENUES & EXPENSES
YEAR TO DATE NOVEMBER 30, 2005

CHURCH OPERATING FUNDS

REVENUES	CHURCH OPERATING FUNDS						EST. GAAP
	UNRESTRICTED	DESIGNATED	DAY CARE	TOTAL	BUILDING	PLANT	INCOME
Contributions	\$1,577,886	\$119,179	\$0	\$1,696,886	\$141,790		\$1,838,665
Other income and fees	80,803		1,067,906	1,148,709	1,983		\$1,150,691
	<u>1,658,489</u>	<u>119,179</u>	<u>1,067,906</u>	<u>2,845,573</u>	<u>143,773</u>	<u>0</u>	<u>\$2,989,346</u>
Expenses	(2,360,369)	(119,179)	(840,468)	(3,320,004)	(224,766)		(\$3,544,760)
Depreciation						(336,000)	(\$330,000)
Mortgage reduction						34,834	\$34,834
ITT receipts Recognized in P/Y						(28,480)	(\$28,480)
Fixed asset purchases						224,766	\$224,766
Revenues over (under) expenses before allocations	(701,879)	0	227,439	(474,431)	(80,983)	(98,870)	(\$654,284)
Allocation revenue (expense)	541,133		(175,183)	365,950			\$365,950
Revenues over (under) expenses	<u>(\$160,737)</u>	<u>\$0</u>	<u>\$52,256</u>	<u>(\$108,481)</u>	<u>(\$80,983)</u>	<u>(\$98,870)</u>	<u>(\$285,334)</u>

CALVARY BAPTIST TEMPLE

AUDIT OF FINANCIAL STATEMENTS

DECEMBER 31, 2004 AND 2003

CAINES, HODGES, PACE & CORBITT, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Donald T. Caines
Carlton H. Hodges
J. Edwin Pace, III

Members American Institute of Certified Public Accountants

200 E. St. Julian Street
P.O. Box 10406
Savannah, Georgia 31412
(912) 231-6367

INDEPENDENT AUDITORS' REPORT

1009 N. Columbia Avenue
P.O. Box 2177
Rincon, Georgia 31326
(912) 826-2345

To the Finance Committee and Congregation of
Calvary Baptist Temple
Savannah, Georgia

We have audited the accompanying statement of financial position of Calvary Baptist Temple (the Church) as of December 31, 2004 and 2003 and the related statements of activities, and cash flows for the years then ended. The following financial statements contain only the operating accounts of the Church, and thus do not include any accounts related to Calvary Baptist Day School. These financial statements are the responsibility of the Church's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the financial statements being presented are only for the accounts referred to above and do not include the assets, liabilities and net assets and the revenue and support, expenses, and changes in net assets of Calvary Baptist Temple that are recorded in its Day School. Accordingly, the accompanying financial statements are not intended to present the assets, liabilities, and net assets of the Church as of December 31, 2004 and 2003 or its changes in net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements audited by us present fairly the financial position of Calvary Baptist Temple, as described above at December 31, 2004 and 2003 and the results of their operations and cash flows for the years then ended.

Caines, Hodges, Pace & Corbett, P.C.

Savannah, Georgia
August 8, 2005



CALVARY BAPTIST TEMPLE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2004 AND 2003

<u>Assets</u>	<u>2004</u>	<u>2003</u>
Current assets:		
Cash on hand and on deposit	\$ 352,647	\$ 530,934
Due from Day School - current portion (Note 2)		22,168
Unconditional promises to give - current (Note 3)	28,460	164,848
Other current assets	36,944	36,520
Total current assets	<u>418,051</u>	<u>754,470</u>
Property and equipment (Note 4)	<u>8,509,246</u>	<u>8,508,273</u>
Other assets - unconditional promises to give - non-current (Note 3)		<u>99,660</u>
	<u>\$ 8,927,297</u>	<u>\$ 9,362,403</u>
 <u>Liabilities and Net Assets</u>		
Current liabilities:		
Current portion of long-term debt (Note 5)		\$ 60,627
Accounts payable	\$ 97,121	176,540
Accrued expenses	63,123	42,163
Total current liabilities	<u>160,244</u>	<u>279,330</u>
Long-term debt (Note 5)	<u>457,408</u>	<u>455,648</u>
Net assets:		
Unrestricted	8,089,742	8,131,724
Temporarily restricted (Note 6)	219,903	495,701
	<u>8,309,645</u>	<u>8,627,425</u>
	<u>\$ 8,927,297</u>	<u>\$ 9,362,403</u>

The accompanying notes are an integral part of the financial statements.

CALVARY BAPTIST TEMPLE
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Unrestricted net assets:		
Support		
Contributions	\$ 1,817,928	\$ 1,664,527
Activities and day care fees	1,154,616	1,125,552
Interest income	2,220	2,732
Other	27,182	23,575
Net assets released from restriction	<u>383,724</u>	<u>543,458</u>
	<u>3,385,670</u>	<u>3,359,844</u>
Expenses		
World and local missions	305,880	244,855
Salaries	1,600,621	1,439,599
Other personnel expenses	279,599	242,413
General and administrative	219,201	214,182
Education, youth and adult ministries	109,562	65,544
Media	19,149	25,835
Music	44,588	42,944
Activities	49,784	56,675
Property and occupancy	795,496	805,734
Depreciation	<u>384,397</u>	<u>369,249</u>
	<u>3,808,277</u>	<u>3,507,030</u>
Common cost allocation (Note 7)	<u>380,625</u>	<u>367,500</u>
Increase (decrease) in unrestricted net assets	<u>(41,982)</u>	<u>220,314</u>
Temporarily restricted net assets:		
Support		
Contributions	106,140	306,202
Investment income	1,786	2,254
Net assets released from restrictions by payments	<u>(383,724)</u>	<u>(543,458)</u>
Decrease in temporarily restricted net assets	<u>(275,798)</u>	<u>(235,002)</u>
Decrease in net assets	(317,780)	(14,688)
Net assets - beginning of year	8,627,425	8,721,113
Transfer to Day School	<u> </u>	<u>(79,000)</u>
Net assets - end of year	<u>\$ 8,309,645</u>	<u>\$ 8,627,425</u>

The accompanying notes are an integral part of the financial statements.

CALVARY BAPTIST TEMPLE
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:		
Decrease in net assets	\$ (317,780)	\$ (14,688)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	384,397	369,249
Changes in operating assets and liabilities:		
Decrease in pledges receivable	236,048	141,216
Decrease in due from Day School	22,170	189,283
Increase in other assets	(424)	(14,917)
Increase (decrease) in accounts payable	(79,420)	67,459
Increase in accrued expenses	20,959	3,741
Decrease in deferred revenues		(14,685)
Net cash provided by operating activities	<u>265,950</u>	<u>726,658</u>
Cash flows from investing activities:		
Purchase of property and equipment	(385,370)	(375,445)
Transfers to Day School		(79,000)
Net cash used for investing activities	<u>(385,370)</u>	<u>(454,445)</u>
Cash flows from financing activities:		
Repayment of long-term debt	(58,867)	(312,680)
Net cash used for financing activities	<u>(58,867)</u>	<u>(312,680)</u>
Net decrease in cash	(178,287)	(40,467)
Cash and cash equivalents - beginning of year	<u>530,934</u>	<u>571,401</u>
Cash and cash equivalents - end of year	<u>\$ 352,647</u>	<u>\$ 530,934</u>

The accompanying notes are an integral part of the financial statements.

CALVARY BAPTIST TEMPLE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003

Note 1 - Summary of Significant Accounting Policies

The significant accounting policies followed by Calvary Baptist Temple (the Church) and the methods of applying these policies which materially affect the determination of financial position, changes in financial position, changes in net assets, and results of operations are summarized as follows.

Basis of accounting

The financial statements of the Church have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other assets and liabilities.

Nature of operations

Calvary Baptist Temple is a church affiliated with the Southern Baptist Convention. Its major source of revenues comes from the contributions of its membership and fees generated by the Church's day care facility. The expenses of the Church include ministries, missions and other operating expenses normally associated with a Southern Baptist Church.

Basis of presentation

The accompanying financial statements include the assets, liabilities, net assets and financial activities of the Church. These financial statements do not include the assets, liabilities, net assets and financial activities of Calvary Baptist Day School (the School) which, while under the administration of the Church, has been reported on separately to coincide with the School's year end. Accordingly, the accompanying financial statements are not intended to present the assets, liabilities, and net assets of Calvary Baptist Temple as of December 31, 2004 and 2003 in conformity with accounting principles generally accepted in the United States of America. Note 14 sets forth condensed financial information of the School.

Financial statement presentation follows recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Church is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (continued)

Cash and cash equivalents

For the purpose of the statement of cash flows, the Church considers all highly liquid debt instruments purchased with a maturity of three months or less and all certificates of deposits to be cash equivalents.

Contributed services

The Church receives a substantial amount of services donated by its members in carrying out the Church's various ministries. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under SFAS Number 116, *Accounting for Contributions Received and Contributions Made*.

Depreciation

Provisions for depreciation are made by charges to income, at rates based upon the estimated useful lives of the assets, and are computed by the straight-line method. Estimated useful lives are thirty to fifty years for buildings, five to ten years for automobiles and buses and seven to twenty years for furniture, fixtures and equipment.

Donated assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair value at the date of donation.

Income taxes

The Church is an exempt organization under the Internal Revenue Code Section 501(c)(3) and is not subject to income tax. Therefore, no provision for income tax is recorded.

Promises to give

Unconditional promises to give are recognized as receivables and as revenues in the period in which the Church is notified by the donor of his or her commitment to make a contribution. Conditional promises to give are recognized when the conditions on which the contribution depends is substantially met. However, the Church has not received any conditional promises to give.

Property and equipment

Acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation.

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (continued)

Revenue recognition

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period the support is recognized. When the restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Note 2 - Due from Day School

The amount due from the Day School consists of the following at December 31, 2004 and 2003:

	2004	2003
Expenses of the School paid out of Church funds		\$ 7,522
Note receivable from the School for the School's gymnasium		14,646
	\$ 0	22,168
Less amount currently due to the Church		22,168
	\$ 0	\$ 0

Note 3 - Unconditional Promises to Give

Unconditional promises to give consist of pledges for the following purpose.

	2004	2003
Unconditional promises to give expected to be collected in:		
Less than one year	\$ 28,460	\$ 314,848
One to five years		99,660
	28,460	414,508
Less allowance for uncollectible pledges		150,000
	\$ 28,460	\$ 264,508

The Church began its "Rebuilding the Temple" capital campaign in March 2002, and it will last for three years. This capital campaign is designed to provide funds for various capital maintenance projects identified by the deacons and staff. At December 31, 2004, the discount to net realizable value was not significant.

NOTES TO FINANCIAL STATEMENTS

Note 4 - Property and Equipment

Property and equipment consist of the following at December 31, 2004 and 2003.

	2004	2003
Land	\$ 293,065	\$ 293,065
Building and improvements	12,488,984	12,231,192
Automobiles and buses	446,957	339,706
Furniture, fixtures, and equipment	1,309,361	1,496,944
	<u>14,538,367</u>	<u>14,360,907</u>
Less accumulated depreciation	6,029,121	5,852,634
	<u>\$ 8,509,246</u>	<u>\$ 8,508,273</u>

Depreciation expense amounted to \$384,397 in 2004 and \$369,249 in 2003.

Note 5 - Long-Term Debt

Long-term debt consists of the following at December 31, 2004 and 2003.

	2004	2003
Note payable to a bank in equal monthly installments of \$5,428 including interest at prime with a balloon payment due in March, 2005, collateralized by real property. Loan renegotiated in March, 2005 as a term note to be payable in March, 2007 with interest only payable monthly at the LIBOR rate plus 2 percent. The effective rate at December 31, 2004 was 5.25%. Collateral remains the same.	\$ 457,408	\$ 501,629
Note payable to a bank in equal monthly installments of \$1,955 including interest at prime with a balloon payment due in March, 2005, collateralized by land and buildings. This note was paid in full during 2004.	<u>457,408</u>	<u>14,646</u> <u>516,275</u>
Less current portion of long-term debt		60,627
Total long-term debt	<u>\$ 457,408</u>	<u>\$ 455,648</u>

NOTES TO FINANCIAL STATEMENTS

Note 5 - Long-Term Debt (continued)

The following is a schedule of required future principal payments on long-term debt.

Year ended December 31,:

2007	\$ 457,408
	<u>\$ 457,408</u>

The \$14,646 loan in 2003 represents debt incurred on the gymnasium for the Day School. The related asset is carried on the books of the Day School and, therefore, there is a corresponding receivable from the Day School included on the balance sheet under current assets and other assets.

Note 6 - Restriction on Net Assets

Substantially all of the restrictions on net assets at the end of 2004 relate to the restrictions placed on contributions from members of the Church on behalf of various Southern Baptist missions and church capital

Temporarily restricted net assets are available for the following purposes or periods.

	<u>2004</u>	<u>2003</u>
Payment on long-term debt, capital maintenance and new construction	\$ 171,628	\$ 441,434
Various missions and restricted offerings	48,275	54,267
	<u>\$ 219,903</u>	<u>\$ 495,701</u>

Note 7 - Common Cost Allocation

The Church charges the Day School a monthly amount for certain common expenses rather than allocating expenses to the activities on a specific invoice basis. The Church charged the School \$380,625 and \$367,500 for the years ended December 31, 2004 and 2003, respectively. The School recorded equal amounts of expense in its books for the respective years.

Note 8 - Interest Expense

Total interest incurred for 2004 and 2003 amounted to \$21,107 and \$23,711, respectively, all of which was charged to operations.

NOTES TO FINANCIAL STATEMENTS

Note 9 - Additional Cash Flow Information

Cash paid for interest was as follows.

	2004	2003
Interest	\$ <u>21,107</u>	\$ <u>23,711</u>

Note 10 - Concentration of Credit Risk

The Church maintains its operating account in bank deposit accounts at a high-credit quality financial institution. The balance, at times, may exceed the federally insured limits. At December 31, 2004, the Church exceeded the insured limit by \$234,860.

Note 11 - Tax-deferred Annuity Plan

The Church sponsors a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers all full-time employees of the Church. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. The Church matches up to two percent of the employee's annual compensation. The total plan expense to the Church amounted to \$11,829 and \$5,879 in 2004 and 2003, respectively.

Note 12 - Operating leases

The following is a schedule by years of future minimum rental payments required under various operating leases that have non-cancelable lease terms as of December 31, 2004.

The future minimum rental payments are as follows:

2005	\$ 4,200
2006	4,200
2007	<u>700</u>
	\$ <u>9,100</u>

Lease expense related to the above leases amounted to \$4,200 in 2004 and 2003.

NOTES TO FINANCIAL STATEMENTS

Note 13 - Advertising

The Church expenses advertising costs as they are incurred. Advertising costs for the year ended December 31, 2004 and 2003, were \$12,560 and \$5,878, respectively.

Note 14 - Calvary Baptist Day School

A summary of the statement of financial position at June 30, 2004, and the statement of activities for the year ended June 30, 2004, for the Calvary Baptist Day School, which is reported separately as disclosed in Note 1, is as follows.

CONDENSED STATEMENT OF FINANCIAL POSITION

Assets:

Current assets	\$ 1,066,630
Property, plant and equipment, at cost	2,874,127
Less accumulated depreciation	<u>827,097</u>
	<u>2,047,030</u>
Investments, at market	<u>413,797</u>
	<u>\$ 3,527,457</u>

Liabilities and net assets:

Current liabilities	\$ 929,823
Due to Church	<u>(1,025)</u>
Net assets	
Unrestricted	1,993,800
Temporarily restricted	232,370
Permanently restricted	<u>372,489</u>
	<u>2,598,659</u>
	<u>\$ 3,527,457</u>

NOTES TO FINANCIAL STATEMENTS

Note 14 - Calvary Baptist Day School (continued)

CONDENSED STATEMENT OF ACTIVITY

Unrestricted net assets	
Support	\$ 4,805,356
Expenses	(4,337,468)
Net assets released from restrictions	206,558
Common cost allocation	(375,000)
Increase in unrestricted net assets	<u>299,446</u>
Temporarily restricted net assets	
Support	200,163
Net assets released from restrictions by payments	(206,558)
Decrease in temporarily restricted net assets	<u>(6,395)</u>
Permanently restricted net assets	
Support	835
Investment income	35,578
Unrealized gain on investments	
Increase in permanently restricted net assets	<u>36,413</u>
Increase in net assets	329,464
Net assets - beginning of year	2,228,195
Transfer from Church	<u>41,000</u>
Net assets - end of year	<u>\$ 2,598,659</u>

Type of Operations of the Program Provider

Describe the operations of the church: Calvary in Savannah tries to meet the changing needs of our congregation and our visitors. This is no small task. No one paragraph could possibly outline all the varied ministries of our church. So please indulge our lengthy explanation of how we spread God's word:

Children's Ministries

1. Club 252- A weekly experience designed to change a child's life forever. The idea for Club 252 is rooted in the Bible, in particular, Luke 2:52, which says, "And Jesus grew in wisdom, in stature, and in favor with God and man." That is precisely what we want to happen in the life of every child who is reached by Calvary - to grow in Christ. This is achieved in Club 252 by means of videos, DVDs, puppets, games, prayer, praise, and a relevant Bible Study. Club 252 takes place each (Sunday morning at approximately 10:30.
2. Kidmo is an interactive multimedia-based curriculum that is for all children in grades 1-5. This stuff is fun, crazy, but most of all it's relevant to the kids of today. Kidmo includes sound biblical teaching, worship, Bible memorization, interactive games, and small group breakouts. Beginning this Spring, Kidmo will start at 6:00 PM on Wednesday nights.
3. We offer a wide variety of other classes as well, all designed to assist children in becoming stronger as followers of Christ. Discovery 101 is a class that covers all the basics including: what it means to be a Christian, the importance of and effective ways to read your Bible, praying, baptism, sharing your faith, working in the church, and so much more.
4. Special Events- Along with the dynamic weekly programs we offer for children, we also plan other fun events throughout the year including Preschool Luau, Wild & Wacky Wednesdays, Centrikid Camp, Back to School Bash with Rocfish.

Youth Ministries

1. Sunday Morning Youth Bible Study – Each Sunday at 9:15 we provide an in-depth Bible study program for those in middle school and high school. Our goal is to teach youth the Word of God so that they understand how to apply it to the everyday experience of their lives.
2. The Living Room – "The Living Room" occurs each Wednesday evening, February through April. This event is a high-energy, evangelistic youth rally that challenges students with the Gospel and encourages them to open their hearts to all teenagers.
3. CrossOver! - Wednesdays, December & May through August. This event engages students in the fabulous five: faith, fun, friends, food, and fellowship!

T.A.S.K. Force

T.A.S.K. stands for Teens Actively Seeking the Kingdom.

Pre-Teen Ministry

Launching from the Middle School Department of Sunday Morning Bible Study, 6th Grade Class, SUPER SIXERS is exclusively designed for the special needs of 6th graders to guide them as they become teenagers

4. True Love Waits - "True Love Waits" is an emphasis that challenges teenagers to be sexually abstinent until they marry. Although TLW is an annual event, living a life of purity and holiness is emphasized continually. Teens participate in a Christian Dating Seminar that includes numerous guest speakers and testimonies, even advice from a medical doctor. Youth are urged to sign a pledge card and participate in a moving commitment ceremony with parents/adult sponsors.

(Calvary in Savannah, **Exhibit F**, Continued, page 2)

5. Student Life Conference - January to April this awesome ministry to students hosts a dynamic worship tour in churches all over the southeastern U.S. Hundreds of teens will converge at anyone of these sites to lift up the name of Jesus and to hear a powerful series of messages tied to a common theme. Moving dramas, uplifting music, coupled with exciting praise and worship bonds everyone together in the Spirit of God!

6. Mission Trip – It's important to lead students out of their comfort zone to experience serving Christ like never before. Our annual mission trip is reserved for students finishing 8th grade through seniors. Whether doing manual labor, leading worship, teaching in backyard Bible clubs, soul winning, or ministry through sports, students are taken to new heights of spiritual growth by reaching out with the Gospel!

7. See You @ the Pole - The third Wednesday morning in September marks this international prayer movement of Christian students. Youth gather at their school's flagpole to pray for their schools: classmates, faculty, administrators, our nation, our military, our President, and leaders on every level of government. They pray for spiritual awakening, revival, and peace.

Church-Wide Sunday School

The mission statement of Sunday School is as follows: Sunday School is the foundational strategy in a local church for leading people to faith in the Lord Jesus Christ and for building Great Commission Christians through Bible study groups that engage people in evangelism, discipleship, fellowship, ministry and worship.

Calvary offers dozens of Sunday School classes for everyone from nursery through senior adults. Each class is designed to specifically meet the needs of each age group, and each class is led by volunteers. Sunday School takes place each Sunday morning from 9:00 to 10:00 a.m. Our goal is to create an environment in which each attendee can be nurtured in their relationship with the Lord Jesus. Preschool Sunday School. Each week hundreds of men, women, teenagers, and children are blessed via our Sunday School program.

Below is a list of our Sunday School Classes, middle-school through senior adults. This list does not include our classes for pre-school and children, which would add many more classes to these time periods.

Middle School / High School - 6th through 12th

9:00 A.M.

Sixth-Eighth Grade Boys

Sixth-Eighth Grade Girls

Ninth-Tenth Grade Boys

Ninth-Tenth Grade Girls

Eleventh-Twelfth Grade Boys

Eleventh-Twelfth Girls

Adults

9:00 A.M.

Singles Classes

College/Career - 18 through 24

Young Single Adults - 24 through 34

Median Single Adults – 35+

Young Married Classes, through 34

Newly Married (3 yrs. or less)

Young Married 1 (up to 27)

Young Married 2 (28-34)

Median Married Classes, 35 through 49

Median Married 1 (35-39)

Median Married 2 (40-45)

Median Married 3 (46-50)

Prime Married

Prime Married, 51 through 57

Prime Married, 58 through 65

Prime Ladies 51 through 64

Prime Men - 51 through 64

Life Application Class - Any Age Adult

Special Needs Class (any age)

**Adults
10:15 A.M.**

Married Couples – Any age

Ladies – Any Age

Ladies Prime - 51 through 65

Prime Men - 51-76

Senior Ladies - 66-76

Senior Ladies - 66-76

Senior Ladies - 66-76

Senior Men - 66-76

Senior Ladies - 77+

Senior Men - 77+

Chapel Class (Co-ed Any Age)

Praise and Worship Ministries

There are numerous references to worship in the Scriptures. There are 363 references in the Old Testament and 99 in the New Testament that speak directly to the worship experience. In fact, there are 19 recorded times that Jesus referenced this topic in the Gospels, as well as 15 instances in the Book of Revelation alone. Nearly 500 times God speaks to us through his WORD about worshipping.

The worshipers at Calvary in Savannah take this emphasis to heart. We devoting ourselves to the promotion, practice, and performance of true worship as described by Jesus in John 4, “True worshipers will worship the Father in spirit and truth.”

Worship at Calvary in Savannah is comprised of many facets that include training, development, and various outlets for worship through the many aspects of music, media, and drama.

Calvary's music-worship ministry includes the Calvary Choir, the Calvary Orchestra, Youth ensembles, Age-Graded Children's Choirs, and the Worship Arts.

The Calvary Choir is a non-auditioned adult and older youth choral group that is the core of the worship celebration each week.

The Calvary Orchestra is a skilled group of intermediate to advanced instrumentalists who accompany the singing of both the choir and the congregation during worship.

The Youth Music Ministry is age-graded from 6th grade through high school geared toward the sounds of today and focuses on small groups and vocal performance in worship.

The Children's Music Ministry is age-graded (4 years through 5th grade) that uses contemporary and traditional music to teach Biblical Truth in a "fun" setting by using musical concepts and fundamentals.

The Worship Arts Ministry involves other areas of creative arts (such as drama, ensembles, and soloists) to further enhance the worship experience of each person who attends.

Senior Adult Ministry

The purpose of the Senior Adult Ministry is to offer opportunities for spiritual development, learning opportunities, socialization, recreation, and service opportunities for persons age 55 and above. The purpose of the senior adult ministry is to present creative ways of engaging and involving this age group into every aspect of the church life. Jesus is our model of a balanced person who grew spiritually, mentally, relationally and physically. All of life is to be dedicated to God and used to bring Him glory. Senior adults continue to be growing individuals with a wide range of interests and abilities. A balanced program for seniors is achieved with broad based offerings that reflect their diversity in ages, lifestyles and needs.

Hospital and Homebound

We strive to minister to families of hospital patients that have no church membership or from out of town.

Helping Hands

We assist senior adult church members with small tasks that are difficult to perform (i.e. changing light bulbs, replacing batteries, repairing door locks). Willing volunteers within the congregation that have expertise in various fields (plumbing, electrical, etc) assist senior adults with specific needs.

Our senior adult ministry strives to increase the spiritual development of our seniors via week-day Bible studies. We provide opportunities for seniors to participate in numerous events such as crafts classes, exercise classes, luncheons, picnics, and outings of all kinds. We also provide meals and other support for families who have lost a loved one.



CALVARY
in Savannah
PILLARS OF STRENGTH • TRANSFORMING LIFE

December 29, 2005

I, John Connell, am Senior Pastor of Calvary in Savannah, and I have reviewed the Petition for Exemption for Closed Captioning Requirements filed on behalf of Calvary in Savannah in this matter, and upon information and belief, believe the statements regarding our organization and "*Calvary in Savannah: Pillars of Strength, Transforming Lives*" to be true and accurate.

Dr. John Connell, Senior Pastor
Calvary in Savannah

Date